

SENATE BILL NO. 347

INTRODUCED BY J. COBB

A BILL FOR AN ACT ENTITLED: "AN ACT ALLOWING FOR QUARTERLY PROPERTY TAX PAYMENTS; PROVIDING THAT CENTRALLY ASSESSED PROPERTY DOES NOT QUALIFY FOR QUARTERLY PAYMENTS; REQUIRING THAT AT LEAST \$500 BE DUE IN ANNUAL PROPERTY TAXES TO QUALIFY FOR QUARTERLY PROPERTY TAX PAYMENTS; AMENDING SECTIONS 15-16-101, 15-16-102, 15-16-103, 15-18-112, 15-23-507, AND 15-23-804, MCA; AND PROVIDING AN EFFECTIVE DATE AND AN APPLICABILITY DATE."

BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF MONTANA:

Section 1. Section 15-16-101, MCA, is amended to read:

"15-16-101. Treasurer to publish notice -- manner of publication. (1) Within 10 days after the receipt of the property tax record, the county treasurer shall publish a notice specifying the time and place at which payment of taxes may be made and that unless a qualifying taxpayer has elected to pay property taxes on a quarterly basis as provided in 15-16-102:

(a) ~~that~~ one-half of all taxes levied and assessed will be due and payable before 5 p.m. on the next November 30 or within 30 days after the notice is postmarked and that unless paid prior to that time the amount then due will be delinquent and will draw interest at the rate of 5/6 of 1% per month from the time of delinquency until paid and 2% will be added to the delinquent taxes as a penalty; and

(b) ~~that~~ one-half of all taxes levied and assessed will be due and payable on or before 5 p.m. on the next May 31 and that unless paid prior to that time the taxes will be delinquent and will draw interest at the rate of 5/6 of 1% per month from the time of delinquency until paid and 2% will be added to the delinquent taxes as a penalty; ~~and.~~

~~—— (c) the time and place at which payment of taxes may be made.~~

(2) The county treasurer shall send to the last-known address of each taxpayer a written notice, postage prepaid, showing the amount of taxes and assessments due for the current year and the amount due and delinquent for other years. The written notice must include:

(a) the taxable value of the property;

- 1 (b) the total mill levy applied to that taxable value;
- 2 (c) the value of each mill in that county;
- 3 (d) itemized city services and special improvement district assessments collected by the county;
- 4 (e) the number of the school district in which the property is located; and
- 5 (f) the amount of the total tax due that is levied as city tax, county tax, state tax, school district
- 6 tax, and other tax.

7 (3) The municipality shall, upon request of the county treasurer, provide the information to be

8 included under subsection (2)(d) ready for mailing.

9 (4) The notice in every case must be published once a week for 2 weeks in a weekly or daily

10 newspaper published in the county, if there is one, or if there is not, then by posting it in three public

11 places. Failure to publish or post notices does not relieve the taxpayer from any tax liability. Any failure

12 to give notice of the tax due for the current year or of delinquent tax will not affect the legality of the tax.

13 (5) If the department revises an assessment that results in an additional tax of \$5 or less, an

14 additional tax is not owed and a new tax bill does not need to be prepared."

15

16 **Section 2.** Section 15-16-102, MCA, is amended to read:

17 **"15-16-102. Time for payment -- penalty for delinquency.** (1) Unless suspended or canceled

18 under the provisions of Title 15, chapter 24, part 17, all taxes levied and assessed in the state of

19 Montana, except assessments made for special improvements in cities and towns payable under

20 15-16-103, are payable as follows:

21 ~~(1)(a)~~ (i) ~~One-half~~ one-half of the taxes are payable ~~on or before~~ not later than 5 p.m. on November

22 30 of each year or within 30 days after the tax notice is postmarked, whichever is later, and one-half are

23 payable ~~on or before~~ not later than 5 p.m. on May 31 of each year; or

24 (ii) if elected by a qualifying taxpayer, one-quarter of the taxes are payable not later than 5 p.m.

25 on November 30 of each year or within 30 days after the tax notice is postmarked, whichever is later, and

26 one-quarter are payable not later than 5 p.m. on February 28, May 31, and August 30 of each year, as

27 provided in subsection (3).

28 ~~(2)(b)~~ (b) Unless ~~one-half~~ the applicable percentage of the taxes are paid on or before 5 p.m. on

29 ~~November 30 of each year or within 30 days after the tax notice is postmarked, whichever is later~~ the date

30 due, the amount payable is delinquent and draws interest at the rate of 5/6 of 1% a month from and after

1 the delinquency until paid and 2% must be added to the delinquent taxes as a penalty.

2 ~~(3) All taxes due and not paid on or before 5 p.m. on May 31 of each year are delinquent and~~
3 ~~draw interest at the rate of 5/6 of 1% a month from and after the delinquency until paid, and 2% must~~
4 ~~be added to the delinquent taxes as a penalty.~~

5 ~~(4)(2)~~ If the date on which taxes are due falls on a holiday or Saturday, taxes may be paid without
6 penalty or interest on or before 5 p.m. of the next business day in accordance with 1-1-307.

7 (3) A property taxpayer may elect to make property tax payments on a quarterly basis on one or
8 more parcels of property within a county. Property taxes on centrally assessed property, as provided in
9 15-23-101, are not eligible for quarterly payment. The tax due on all the property in the county subject
10 to the quarterly election must be at least \$500 a year. A quarterly payment election must be made on
11 forms provided by the department by September 1 for quarterly payments beginning November 30 of that
12 year. The election to make quarterly payments is in effect until the taxpayer revokes the election, the
13 amount of property taxes due becomes less than \$500 a year, the title to any of the property is
14 transferred, or any of the property becomes centrally assessed property.

15 ~~(5)(4)~~ A taxpayer may pay current year taxes without paying delinquent taxes. The county
16 treasurer shall accept a partial payment equal to the delinquent taxes, including penalty and interest, for
17 one or more full taxable years, provided that taxes for both halves of the current tax year have been paid.
18 Payment of taxes for delinquent taxes must be applied to the taxes that have been delinquent the longest.
19 The payment of taxes for the current tax year is not a redemption of the property tax lien for any
20 delinquent tax year.

21 ~~(6)(5)~~ The penalty and interest on delinquent assessment payments for specific parcels of land
22 may be waived by resolution of the city council. A copy of the resolution must be certified to the county
23 treasurer.

24 ~~(7)(6)~~ If the department revises an assessment that results in an additional tax of \$5 or less, an
25 additional tax is not owed and a new tax bill does not need to be prepared."
26

27 **Section 3.** Section 15-16-103, MCA, is amended to read:

28 **"15-16-103. Special improvement districts with annual interest payments -- collection of special**
29 **assessments for all special improvements.** (1) Special assessments or installments of special assessments
30 made for special improvements in towns and cities, the bonds for which annual interest payments have

1 been specified and that were issued after July 1, 1981, and that have been duly and regularly made and
2 levied by resolution according to law, ~~shall be~~ are payable as follows:

3 (a) One-half of the taxes are payable on or before 5 p.m. on November 30 of each year. If the
4 taxes are not paid on or before that date, they are subject to the same interest and penalty for nonpayment
5 as delinquent property taxes under 15-16-102. The penalty and interest may be waived by resolution of
6 the city council, as provided in 15-16-102~~(6)~~(5).

7 (b) One-half of the taxes are payable on or before 5 p.m. on May 31 of each year. If the taxes are
8 not paid on or before that date, they are subject to the same interest and penalty for nonpayment as
9 delinquent property taxes under 15-16-102. The penalty and interest may be waived by resolution of the
10 city council, as provided in 15-16-102~~(6)~~(5).

11 (2) The collection of special assessments or installments of special assessments made for special
12 improvements in towns and cities are as provided by 7-12-4181."

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14 **Section 4.** Section 15-18-112, MCA, is amended to read:

15 **"15-18-112. Redemption from property tax lien.** (1) Except as provided in subsection (3), in all
16 cases where a property tax lien has been acquired, the purchaser may pay the subsequent taxes assessed
17 against the property.

18 (2) Upon the redemption of the property from the property tax lien, the redemptioner shall, in
19 addition to the amount for which the property tax lien was sold, including penalties, interest, and costs,
20 pay the subsequent taxes assessed, with interest and penalty thereon at the rate established for delinquent
21 taxes in 15-16-102.

22 (3) The property tax lien may also be redeemed for a particular tax year by a partial payment of
23 that tax year as provided in 15-16-102~~(5)~~(4) if:

24 (a) the property tax lien for the year in which the partial payment is made is owned by the county;
25 and

26 (b) the tax deed has not been issued pursuant to 15-18-211."

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28 **Section 5.** Section 15-23-507, MCA, is amended to read:

29 **"15-23-507. Taxation and payment on royalty interests.** At the time of computing net proceeds
30 assessments, the department shall also determine the royalty lists or schedules for each county in which

1 the mines and mining claims are located. The department shall prepare from the net proceeds and royalty
2 assessments a tax roll that must be furnished to the county treasurer on or before the following September
3 15. Upon furnishing the tax roll, the taxes are due and payable. Assessments of royalty on production of
4 metals and minerals other than petroleum and natural gas must be entered by the department in the
5 property tax record in the name of the recipient or owner of the royalty. The county treasurer shall give
6 full notice of the assessment to the recipient or royalty owner and shall collect the taxes in the same
7 manner as taxes on net proceeds of mines. Taxes on the royalty assessments and taxes on net proceeds
8 of mines are payable at the times specified in 15-16-102(1)(a)(i), and any delinquencies in the payment
9 are subject to the interest and penalties provided in 15-16-102."

10

11 **Section 6.** Section 15-23-804, MCA, is amended to read:

12 **"15-23-804. Taxation of merchantable value.** The department shall prepare from the reported
13 valuation a tax roll that must be transmitted to the county treasurer on or before September 15 each year.
14 The county treasurer shall proceed to give full notice to each metal producer and to collect the taxes due
15 at the times provided for in 15-16-102(1)(a)(i), and any delinquencies in the payment of the taxes are
16 subject to the interest and penalties provided for in 15-16-102."

17

18 NEW SECTION. **Section 7. Effective date.** [This act] is effective July 1, 2001.

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20 NEW SECTION. **Section 8. Applicability.** [This act] applies to tax payments due after notice is
21 given under 15-16-101.

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